**Hankook Tire announces 2021 financial results**

**Tyre maker Hankook has released its results for the 2021 financial year. The company achieved global sales of KRW 7.142 trillion (EUR ~ 5,279m) and a year-on-year (YoY) increase in operating profit of 2.2 percent to KRW 641 billion (EUR ~ 474m). An important sales driver for Hankook was large-diameter tyres (those measuring 18 inches and above). This category of tyres accounted for 37.7 percent of total sales of car tyres, representing a year-on-year increase of 3.1 percentage points.**

***Seoul, Korea / Neu-Isenburg, Germany, 4 February 2022*** –Tyre maker Hankook Tire & Technology announced its 2021 financial results with consolidated global sales of KRW 7.142 trillion (EUR ~ 5,279m) and an operating profit of KRW 641 billion (EUR ~ 474m).

Having recorded solid sales in major regions during the first half of 2021, Hankook Tire was able to continue its steady growth resulting in a 10.7 percent rise in sales and a 2.2 percent increase in operating profit year-on-year. As momentum slowed in the second half, with the global economy collectively tackling issues such as global supply chain disruption, semiconductor shortage and rising raw materials costs, Hankook demonstrated resilience with promising business performance. Key contributing factors included a continued increase in sales of replacement tyres, an effective regional pricing strategy and strong sales of large-diameter tyres. Sales of large-diameter tyres, 18 inches or greater, increased by 3.1 percentage points (pp) compared to the previous year, accounting for 37.7 percent of total sales of passenger car tyres.

The fourth quarter was a particular bump in the road for Hankook Tire. The company saw a decline in sales revenue to KRW 1.889 trillion (EUR ~ 1,397m), while operating profit fell 61.3 percent YoY and 51.3 percent QoQ to KRW 87.9 billion. This decrease was largely due to a rise in operating costs and delayed sales opportunities caused by labour strikes at Hankook’s Daejeon and Geumsan plants in Korea.

However, sales of large-diameter tyres again became the driving force for growth. Sales of large-diameter tyres rose by 1.5pp YoY to account for 38.9 percent of total sales of passenger car tyres in the fourth quarter. In particular, sales of large-diameter tyres in China amounted to 46.4 percent of total sales, a 6.7pp increase YoY. Other markets also saw strong performance in large-diameter tyres with increases of 2pp in Europe and 2.9pp in Korea.

Meanwhile, Hankook Tire continued to gain remarkable recognition for its product quality as well as its sustainable practices. Last year, Hankook received top ratings in several tyre tests conducted by leading automobile magazines from Germany and the United Kingdom. Auto Bild, Europe’s most prestigious automobile magazine, awarded Hankook Tire with “Tyre Maker of the Year” in the all-weather tyre category. In addition, Hankook was listed for the sixth consecutive year in the Dow Jones Sustainability Indices World, which identifies global sustainability leaders.

Furthermore, Hankook strengthened its standing in the premium original equipment (OE) sector and electric vehicle (EV) tyre sector in 2021, with the company starting to equip the Porsche Panamera, BMW X3M and X4M, while fitting its EV tyres on Audi e-tron GT and Volkswagen ID.4.

Hankook plans to further enhance its brand value in 2022. The company is aiming to achieve double-digit growth this year and to increase the share of large-diameter tyres sales to 42 percent of total sales of passenger car tyres. Hankook will intensify its focus on strengthening its business in major markets, expanding OE partnerships with global premium carmakers, and gaining leadership in the electric vehicle tyre sector. Hankook will be the tyre supplier and technology partner for the ABB FIA Formula E World Championship as of the fourth quarter this year.

**Q4 2021 Consolidated Financial Results\***

|  |  |  |  |
| --- | --- | --- | --- |
| **(Unit: Billion KRW)** | **Q4 FY 2020** | **Q3 FY 2021** | **Q4 FY 2021** |
| **Sales** | **1,766** | **1,829** | **1,889** |
| **Operating Profit** | **227** | **180** | **87\*** |

|  |  |  |  |
| --- | --- | --- | --- |
| **(Unit: Million USD)** | **Q4 FY 2020** | **Q3 FY 2021** | **Q4 FY 2021** |
| **Sales** | **1,580** | **1,580** | **1,597** |
| **Operating Profit** | **203** | **156** | **74** |

|  |  |  |  |
| --- | --- | --- | --- |
| **(Unit: Million EUR)** | **Q4 FY 2020** | **Q3 FY 2021** | **Q4 FY 2021** |
| **Sales** | **1,325** | **1,340** | **1,397** |
| **Operating Profit** | **170** | **132** | **64** |

***\*decimal numbers are not considered in the table***

***for reference:*** [***original Korean message***](https://m.hankooktire.com/kr/company/media-center/press-release.70937.html?act=read&newsCd=&sort=FIRST_REG_DT&div=0&keyword=&newsSeq=70937&topYn=Y)***,***

***\*Exchange Rates:***

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Q4 FY 2020** | **Q3 FY 2021** | **Q4 FY 2021** |
| **USD / KRW** | **1,117.64** | **1,157.35** | **1,183.17** |
| **EUR / KRW** | **1,332.84** | **1,364.9** | **1,352.51** |

*(NOTE: Average exchange rates for the respective annual period, retrieved from Korea Exchange Bank)*

**2021 Consolidated Financial Result**

|  |  |  |
| --- | --- | --- |
| **(Unit: Billion KRW)** | **FY 2020** | **FY 2021** |
| **Sales** | **6,453** | **7,142** |
| **Operating Profit** | **628** | **641** |

|  |  |  |
| --- | --- | --- |
| **(Unit: Million USD)** | **FY 2020** | **FY 2021** |
| **Sales** | **5,468** | **6,240** |
| **Operating Profit** | **532** | **560** |

|  |  |  |
| --- | --- | --- |
| **(Unit: Million EUR)** | **FY 2020** | **FY 2021** |
| **Sales** | **4,794** | **5,279** |
| **Operating Profit** | **466** | **474** |

***\*Exchange Rates:***

|  |  |  |
| --- | --- | --- |
|  | **FY 2020** | **FY 2021** |
| **USD / KRW** | **1,180.05** | **1,144.42** |
| **EUR / KRW** | **1,345.99** | **1,352.79** |

*(NOTE: Average exchange rates for the respective annual period, retrieved from Korea Exchange Bank)*

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**About Hankook Tire**

Hankook Tire manufactures globally innovative, award-winning radial tyres of proven superior quality for passenger cars, light trucks, SUVs, RVs, trucks, and buses as well as motorsports (circuit racing/rallies).

Aspiring to bring consumers the utmost excellence in product quality, technological excellence and driving satisfaction, Hankook Tire continuously invests in research and development maintaining five R&D centres and eight production facilities around the world. Bespoke tyre solutions for the European markets as well as European Original Equipment according to the requirements of leading premium car manufacturers are developed in the company’s regional Technical Centre in Hanover/Germany. Production for the European region takes place at the state-of-the-art manufacturing site in Rácalmás/Hungary, which was inaugurated in June 2007 and is continuously being expanded. Currently, around 3,000 employees produce up to 19 million tyres a year for passenger cars, SUVs and light trucks.

Hankook Tire’s European headquarters are located in Neu-Isenburg near Frankfurt am Main in Germany. The manufacturer operates further branches in the Czech Republic, France, Germany, Hungary, Italy, the Netherlands, Austria, Poland, Russia, Serbia, Spain, Sweden, Turkey, the UK, and Ukraine. Hankook products are sold directly through regional distributors in other local markets. Hankook Tire employs approximately 20,000 people worldwide and is selling its products in over 180 countries. Internationally leading car manufacturers rely on tyres made by Hankook for their original equipment. Approximately 34 percent of the company's global sales are generated within the European and CIS-Region. Hankook Tire has been included in the renowned Dow Jones Sustainability Index World (DJSI World) since 2016.

For more information, please visit [www.hankooktire-mediacenter.com](http://www.hankooktire-mediacenter.com) or [www.hankooktire.com](http://www.hankooktire.com)

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